

## **P-2230 Benefits (continued)**

### **P-2230D Benefit Overpayment and Recoupment** **(20-02)**

Overpayments are worked by the Fraud and Claims Unit (FACU). Any suspected overpayment should be sent to FACU email group after the Claim Referral Form, ESD 108CRF has been completed.

Any questions regarding a recoupment should be sent to FACU.

#### **Types of Overpayments**

##### ***Inadvertent Household Error (IHE)***

An overpayment resulted from a misunderstanding or unintended error on the part of the household.

##### Example:

- Incorrect or incomplete information was provided.
- Required changes were not provided to the agency; or if reported, they were not reported timely.
- Fair hearing decision upheld the agency's actions and continued benefits were issued to the household.

##### ***Agency Error***

An overpayment caused by the agency's action or failure to take action.

##### Example:

- Failure to take prompt action on a reported change.
- Incorrect computation of the benefit amount.

##### ***Fraud***

Overpayment resulted from an intended error on the part of the household.

##### Example:

- Incorrect or incomplete information was provided.

- Required changes were not provided to the agency; or if reported, they were not reported timely.

## **Determining the Overpayment**

Determine the correct amount of benefits from the date of discovery back to the month the overpayment occurred, but not beyond 12 months, except fraud, which has a 3 year look-back period.

## **Calculating Overpayment Amounts**

Correct only those items that were incorrect when calculating the overpayment amount. For example, if the overpayment was caused by incorrect unearned income, use the corrected unearned income amount but don't change any other items from the original budget.

- Obtain verification.
- Determine the correct amount of benefits for each month that an overpayment occurred.
- Use the Reach Up Eligibility Worksheet, ESD 203RU, or the Quick Eligibility Check function. Attach copies of the worksheet to the Reach Up Claim Notice (ESD 220R) form filed in the case record.
- Send a copy of the worksheets along with the ESD 220R to the Fraud and Claims Unit (FACU).
- Remember to use the rules and benefit tables that were in effect at the time of the overpayment.

## **Overpayment Establishment**

Reach Up Overpayments must be established, within 180 days from date of discovery. An Overpayment is active when it is entered into RECO/D in ACCESS.

Complete an entry in RECO and send a notice to the household.

## **Repayment Process**

Each adult receiving Reach Up benefits when the overpayment occurred is responsible for the repayment of the benefit.

The FACU initiates collection action against the household.

When an adult member of an overpayment household moves to a different household, ACCESS issues an informational message to the BPS. Notify FACU if this message is received. FACU will transfer the overpayment in RECO to the new case (DISP panel) if the overpayment will be pursued in the new household.

## **Notice Procedures**

The Reach Up Claim Notice (ESD 220R), is sent the day after the claim is entered into RECO. Refer all repayment questions to the FACU.

## **Suspended Collection**

The FACU may suspend collection action when there is no useable address to contact the client. The overpayment is written off after twelve months if a reapplication has not been submitted or the agency hasn't located a usable address.

## **Terminated Overpayments**

The fraud supervisor may terminate and write off the overpayment if:

- All household members are deceased;
- A fair hearing finds no overpayment;
- The overpayment has a balance less than \$35 and no payment has been received in the last 90 days; or
- There has not been a payment on the overpayment for 3 years or more.

## **Repayment**

Overpayments may be repaid as follows:

### ***Recoupment***

Recoupment will be set up based on Reach Up rule (2225).

5% - agency error

10%- IHE+ Fraud

Exception: (See rule 2225 if the household has additional earned/unearned income and how recoupment is calculated)

### ***Benefits Expungement***

The overpayment amount is reduced by any expunged benefits.

### ***Household Repayment***

When the household is no longer active on Reach Up they may pay the overpayment partially or in full with cash, check, money order, or with unused EBT benefits. Households who are still active on Reach Up may also chose a deduction from ongoing benefits. FACU is responsible for obtaining a written agreement from the household prior to using active EBT benefits to repay an overpayment. A one-time repayment may be authorized verbally if the receipt is sent to the participant.

### ***Underpaid Benefits***

Underpaid benefits must first offset the overpayment amount. Amounts remaining after offsetting the claim are issued to the household.

## **BPS Support**

### **Overpayment Process**

1. BPS completes Claims Referral Form 108CRF and emails it to the Fraud and Claims Unit (FACU).

Email: [AHS.DCFESDClaimsUnit@vermont.gov](mailto:AHS.DCFESDClaimsUnit@vermont.gov)

2. FACU will confirm receipt of ESD 108CRF.
3. FACU will send a copy of the ESD 220R and budgets to ADPC as a work complete documents.
4. FACU will maintain separate files with all supporting claims documents.
5. FACU enters RECO in ACCESS the same day the ESD 220R is sent. Complete the following fields:

- Over issuance (ACCESS term for Overpayment) period
  - Type of claim
  - Over issuance Reason (Overpayment) reason
  - Total overpayment amount
6. The Reach Up Claim Notice (ESD 220R), is mailed to the household the day after RECO is completed.
- The household is instructed to contact the FACU for questions or repayment.

## **Inquiries**

Inquiries about repayments should be directed to the FACU at 1-888-488-1484.

Direct inquiries about the amount of the overpayment and how it was calculated to the FACU at 1-888-488-1484.

## **Recipient Death**

Review RECO for an overpayment when notification is received that a recipient died. If there is an overpayment, e-mail the FACU.

If there is no other responsible adult, the overpayment will end.